

STATE OF TENNESSEE

Office of the Attorney General



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TELEPHONE 615-741-3491  
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May 28, 2004

Honorable Deborah Taylor Tate  
Chairman  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243

**RE: UNITED CITIES GAS COMPANY, a Division of ATMOS  
ENERGY CORPORATION, INCENTIVE PLAN ACCOUNT  
(IPA) AUDIT  
Docket No.: 01-00704**

Dear Chairman Tate:

Enclosed is an original and thirteen copies of a Notice Of Potential Dispute by the Consumer Advocate and Protection Division of the Office of the Attorney General. Kindly file the attached in this docket. By copy of this letter, we are serving all parties of record. If you have any questions, please feel free to contact me at (615) 741-8700. Thank you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Russell T. Perkins".

Russell T. Perkins  
Deputy Attorney General

Enclosures

cc: All Parties of Record

75775

**BEFORE THE TENNESSEE REGULATORY AUTHORITY  
AT NASHVILLE, TENNESSEE**

<b>IN RE:</b>	)	
	)	
<b>UNITED CITIES GAS COMPANY, a Division of</b>	)	<b>DOCKET NO.</b>
<b>ATMOS ENERGY CORPORATION,</b>	)	<b>01-00704</b>
<b>INCENTIVE PLAN ACCOUNT (IPA) AUDIT</b>	)	

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**THE CONSUMER ADVOCATE DIVISION'S  
NOTICE OF POTENTIAL DISPUTE**

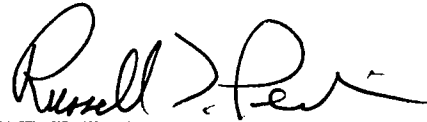
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Atmos and the Staff have indicated to the Consumer Advocate Division that they view the June 8, 2004, hearing to be an evidentiary one. In this connection, Atmos may be flying in an expert witness. The Consumer Advocate Division, on the other hand, is under the impression that: 1) the hearing on June 8, 2004, will be oral argument based on the factual record; 2) that the Staff and Atmos are not permitted to present any factual material after the May 21, 2004, deadline for responding; and 3) that the CAD is not permitted to present factual material after it files its Reply on May 28, 2004. This is consistent with the transcript of the April 22, 2004, status conference and the entire limited tenor of these proceedings relating to the proposed settlement.

The CAD has already filed several motions. Rather than file another motion, the CAD has decided to bring this to the Hearing Officer's attention by this Notice and to again notify the proponents of the proposed settlement that the CAD may object to any effort to introduce evidence at the June 8, 2004, hearing and, as well, any effort by Atmos or the Staff to disregard the scheduling by offering factual material after the May 21, 2004, deadline for doing so.

The Consumer Advocate Division expects a non-evidentiary hearing on its objections to the settlement because that is what was contemplated and that is how the CAD has been preparing for this limited hearing.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Russell T. Perkins", written over a horizontal line.

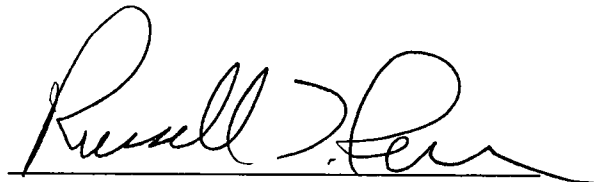
RUSSELL T. PERKINS  
B.P.R. No. 10282  
Deputy Attorney General  
Office of the Attorney General  
Consumer Advocate and Protection Division  
(615) 741-1376

**CERTIFICATE OF SERVICE**

I hereby certify that on May 28, 2004, a true and exact copy of the foregoing document has been mailed, first class U.S. postage prepaid, and faxed to the following:

Joe A. Conner  
Baker, Donelson, Bearman & Caldwell, P.C.  
1800 Republic Centre  
633 Chestnut Street  
Chattanooga, Tennessee 37450-1800

Randal Gilliam  
Office of Legal Counsel  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

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Russell T. Perkins